

**RECORD OF PROCEEDINGS  
MINUTES  
of the  
Board of Water Commissioners**

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

**Wednesday, May 11, 2016**

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**Open Session**

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, May 11, 2016, beginning at 9:00 a.m. in the Board Room, Room 309, 1600 West 12<sup>th</sup> Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

**Penfield W. Tate, III, President**  
**Thomas A. Gougeon, Vice President**  
**Paula Herzmark, Vice President**  
**H. Gregory Austin, Vice President**

Board employees and others present during portions of the meeting were:

T.J. Roode, <i>Acting</i> CEO/Manager	P.L. Wells, General Counsel
J.A. Anderson, Chief of Staff	B.D. Good, Director of Administrative Services
A.C. Bricmont, Director of Finance	M. King, Director of Planning
G. Cagle, Director of Human Resources	R.J. Mahoney, Director of Engineering
S. Covington, Director of Public Affairs	P.L. Wells, General Counsel
C.R. Dermody, Director of Information Technology	K. Bates, Attorney
G. Brockett, Human Resources Specialist	P.B. Coleman, Chief Internal Auditor
T. Bryant, Controller	E. Martinez, Manager of Total Rewards
P. Carey, Manager of Purchasing & Contracting	P. McCormick, Engineer
A. Chavez, Staff Analyst	S. Miller, Manager of Health Care & Benefits Administration
E. Chavez, Administrative Assistant	G. Moore, Engineering Specialist
	P. O'Malley, Engineering Technical Support Supervisor
	R. Peters, Water Resource Engineer

A. Chotiner, Division Office Business Manager	M. Price, Division Office Business Manager
T. Cristiano, Manager of Budgets & Rates Administration	S. Price, Engineer
S. Dominick, Water Resource Engineer	G. Rygh, System Manager Water Distribution
G. Fisher, Manager of Demand Planning	J. Seagren, Distributor Relations Manager
K. Gedney, Contract Specialist	T. Segura, Senior Budget Applications Support Specialist
D. Hamm, Staff Analyst	A. Sibree, Attorney
Y. Her, Contracts Supervisor	M. Slocum, Assistant Water Treatment Plant Supervisor
A. Ingram, Contract Specialist	R. Steger, Manager of Raw Water Supply
K. Long, Information Security Manager	M. Waage, Manager of Water Planning
E. Bagwell, Teamsters Local 17	J. Hayes, Compass Group
J. Becker-Wold, Callan	L. Hoffman, Compass Group
A. Browning, Callan	L. Thompson, GRS
R. Hackett, Teamsters Local 17	D. Woolfrey, GRS
	P. Wood, GRS

## I. BOARD ADMINISTRATIVE BUSINESS

Commissioner Tate called the meeting to order at 9:10 a.m.

Upon motion regularly made, seconded and unanimously carried, Commissioner Lucero was found to be absent for substantial cause and was excused.

### Public Comment and Communications

Commissioner Tate issued an invitation to members of the public to comment to the Board on any matters not included in the Agenda for the meeting.

Mr. Bagwell remarked that he represents a number of Denver Water employees who have chosen to join the Teamsters Union, Local 17. He noted that the Board's policies allow employees to voluntarily join a union (Personnel Policies section 2-5-(5), and that permitting collective bargaining would require a change to the Charter of the City & County of Denver. He nevertheless requested that the Board reconsider section 11-3, which provides that employees are not permitted to be represented at a division, section, or change in job status meeting. He stated that because the Teamsters is collecting employees' union dues, the union should do something to earn those dues.

Ms. Wells explained how Denver Water's corrective action process works, and that it is designed to be non-adversarial and non-confrontational. Conferences are designed as fact-finding meetings, with a Human Resources representative attending each meeting and Denver Water follows due process requirements at each step along the corrective action process. The appeals process allows employees to be represented at hearings, which could be a union representative. Denver Water's process is very successful in that supervisors and Human Resources staff work very closely with attorneys before corrective action to ensure that it is warranted.

Mr. Roode stated that the purpose of the corrective action process is to provide notice to employees of allegations made against them, to determine what may have happened, to look for causes and optional solutions. Sometimes the outcome is not corrective action, but a mutually agreed upon solution. He said that when an employee receives a notice of corrective action, he or she is free to confer with a union representative before the meeting. Ms. Wells remarked that if Mr. Bagwell has an issue that applies to employees in general, and his members as a group, he is welcome to submit comments to the Board.

Commissioner Tate thanked Mr. Bagwell for his statements and declined his request on behalf of the Board.

## **II. ACTION ITEMS**

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

### **1. ITEM II-A-1: MINUTES OF APRIL 13, 2016**

The reading of the Minutes of the Regular Meeting of April 13, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of April 13, 2016 were approved.

### **2. ITEM II-A-2: MINUTES OF APRIL 27, 2016**

The reading of the Minutes of the Regular Meeting of April 27, 2016 was dispensed with and such Minutes were approved.

The Minutes of the Executive Session of April 27, 2016 were approved.

### **3. ITEM II-A-3: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective May 1, 2016, unless otherwise noted:

<b>Employee Name</b>	<b>Employment Date</b>	<b>Division/Section</b>
Jennifer A. Gelmini	10/26/2015	Engineering Division Civil Engineering
Dennis R. Walsh	11/2/2015	Engineering Division Civil Engineering
Sakthisara Vanan Ayyadurai	11/2/2015	Information Technology Division Human Capital Management Team
Perry L. Hackwell	10/19/2015	Information Technology Division Operational Asset Management
Blair R. Zimmerman	10/19/2015	Operations and Maintenance Division Recycled Water Plant
Larry D. Brooks, Jr.	10/26/2015	Operations and Maintenance Division T&D Construction & Maintenance
Fabian Ruvalcaba	10/26/2015	Operations and Maintenance Division T&D Construction & Maintenance

**4. ITEM II-A-4: EMPLOYEES HIRED ABOVE MID-POINT**

Approved hiring certain employees at a rate of pay higher than the mid-point of the pay range for their respective positions, as shown in Agenda Item II-A-4, a copy of which is attached to and incorporated in these Minutes as Exhibit A.

**5. ITEM II-A-T CAFETERIA FOOD SERVICES – CONTRACT 16562A**

Approved Contract 16562A with Compass Group, USA for cafeteria, catering and vending services for the contract period of June 1, 2016 through May 31, 2019, for a total contract amount not to exceed \$394,000.00.

**6. ITEM II-A-6 FEDERAL, STATE AND GOVERNMENT OUTREACH - CONTRACT 16584A**

Approved Contract 16584A with Squire Patton Boggs for government outreach services for the contract period of May 11, 2016 through May 31, 2019, for a total contract amount not to exceed \$204,000.00.

**7. ITEM II-A-7 CLEANING SERVICES AT DENVER WATER FACILITIES – CONTRACTS 16603A AND 16603B**

Approved Contract 16603A with DCPS Cleaning, LLC, d/b/a Integrated Cleaning Services, and Contract 16603B with AFL Maintenance Group, Inc., d/b/a American Facility Maintenance Group, for cleaning services for the contract period of June 1, 2016 through May 31, 2019, for total contract amounts not to exceed \$852,000.00 and \$421,000.00, respectively.

**8. ITEM II-A-8 AUTODESK CAD SUPPORT SERVICES – CONTRACT 16723A**

Approved Contract 16723A with CAD1 for support of AutoCAD for the contract period of May 11, 2016 through May 31, 2019, for a total contract amount not to exceed \$129,300.00.

**9. ITEM II-A-9 RATIFICATION OF CONSTRUCTION CONTRACTS, CHANGE ORDERS AND AMENDMENTS TO CONTRACTS/AGREEMENTS**

Ratified Construction Contract Change Orders, Amendments, and Amendments to Agreements authorized in March and April, 2016 as follows:

First Amendment to Contract 14897A with T.Lowell Construction, Inc. for work on Conduit 309 24-inch recycled water pipeline from E. 47<sup>th</sup> Ave. and Havana St. to Prairie Meadow Dr. and Central Park Blvd.;

Change Order No. 4 to Contract 15187A with Moltz Construction, Inc. for Cherry Hills Pump Station modifications;

Second Amendment to Contract 15187A with Moltz Construction, Inc. for Cherry Hills Pump Station modifications; and

Change Order No. 1 to Contract 16420A with ASI Constructors, Inc. for the High Line Canal Diversion Dam replacement

all as more particularly described in the attachment to Agenda Item ITEM II-A-9.

**10. ITEM II-A-10 RENEWAL OF INSURANCE POLICIES – CONTRACT 13390B**

Approved the Ninth Amendment to Contract 13390B with Arthur J. Gallagher Risk Management Services. The Amendment extends the contract period through December 31, 2016 and adds \$594,000.00, for a total amended contract amount not to exceed \$3,912,483.00.

**11. ITEM II-B-1 NORTH SYSTEM RENEWAL WATER TREATMENT PLANT (NSRWTP) CAPACITY, LOCATION AND DESIGN PROCUREMENT APPROVAL**

Approved: 1) the location of the NSRWTP at the Ralston Reservoir property; 2) the initial capacity of 150 MGD, expandable to 250 MGD; and 3) advancement with Task 2 Design Phase Service Procurement of the Design Team and CMAR. Mr. McCormick presented the Board with an update of the NSRWTP

project, a copy of which is attached to and incorporated in these Minutes as Exhibit B.

He explained that through the site selection analysis it became apparent that the Ralston site is preferable to the Moffat site because it offers more flexibility in terms of expansion, would permit an increase in the amount of water that could be gravity-fed through the distribution system, and eliminates distribution system risks. The most cost-effective capacity is 150 MGD, with the possibility of expanding to 250 MGD. This capacity would allow Denver Water to take other treatment plants off line, while still meeting the full wintertime demand.

The project will be sequenced in six tasks: 1) mobilization; 2) design services procurement; 3) preliminary design (up to 20% complete); 4) final design; 5) construction; and 6) close-out. During the design phase of the project, the MWBE participation goals will range between 4%-8%, and Denver Water staff will work with Jacobs Engineering Group to identify MWBE entities and reach out to them for possible participation. Additionally, a construction manager at risk will be identified early in the design phase to provide cost estimating, value engineering, construction feasibility reviews, design assistance, work package development, project scheduling and early equipment procurement.

Mr. McCormick explained that although the Moffat Treatment Plant will not be part of the distribution system once the NSRWTP is implemented, the clearwells, conduits and facility will remain operating. Its function will be evaluated with the Continuous Improvement Team.

Ms. Bricmont noted that the NSRWTP will be 80% funded by bonds and 20% funded by system development charges.

## **12. ITEM II-B-2: SECOND AMENDMENT FOR HIGH LINE PARTNERS CONSERVANCY – CONTRACT 15851A**

Approved the Second Amendment to Contract 15951A with the High Line Canal Conservancy. The Amendment adds \$130,000.00, for a total amended contract amount not to exceed \$230,000.00. Mr. Roode explained that the Conservancy has received a \$130,000.00 grant from Great Outdoors Colorado, which Denver Water agreed to match. The Conservancy is actively engaged in visioning exercises and the Board will receive an update on this effort at the June 8, 2016 meeting. To date, the Conservancy has raised more than \$400,000.00 from 15 donors through its creative public/private financing efforts. Denver Water is currently talking with other governmental entities about opportunities for storing

storm water in the canal, which is made attractive by recent legislation passed regarding the 72-hour storage rule.

### **III. POLICY MATTERS**

#### **13. ITEM III-A: AQUIFER STORAGE PILOT PROJECT UPDATE**

Mr. Peters presented an update on the Aquifer Storage Pilot Project, a copy of which is attached to and incorporated in these Minutes as Exhibit C. He noted that last Integrated Resource Plan identified some future challenging scenarios, which caused Denver Water to research whether it would be beneficial to store water in the Denver Basin Aquifer. Such storage could be less costly than other options, have less environmental impact, require less permitting, have no evaporation, allow for incremental development and comply with the CRCA storage provision. However, it would involve well siting in urban areas, recoverability risks, uncertainty about water quality and aquifer productivity.

The Pilot Project includes bore-hole drilling to gather information to better ascertain the feasibility of aquifer storage. To date four bore-holes have been drilled which provided data on the scale of depth and location of aquifer formations. Additionally, the data revealed that only some areas can produce water at the most economic rate. More data, from additional drilling is necessary to fill data gaps. Denver Water has requested that the drilling company, Hydro Resources, increase its MWBE goal to 5% and retain the current competitive pricing.

### **IV. MONTHLY AND QUARTERLY REPORTS**

#### **14. ITEM IV-B: CFO REPORT**

The Board received the Monthly Financial Report dated May 11, 2016, as set forth in Agenda Item IV-B-1, which is attached and incorporated in these Minutes as Exhibit D.

Ms. Bricmont remarked that this report contains 300 pages of detailed documentation, with forecasts by Division, cost center and specific types of expenses. Mr. Cristiano reviewed the capital and operating sections, noting that the system program managers meet with the Budget staff bi-weekly to discuss capital projects and make adjustments to the spending forecasts as needed. Operating and capital salaries are separated in this report to allow all capital-related costs to be reported together. Capital spending is forecasted within 1%



of the budgeted amount. Operating salaries forecast is tracking the budgeted amount. The Operating forecast shows a \$1.7 million increase because major projects are in the beginning phases. The Capital forecast is down \$783,000.00 due to changes in the forecast, delays, and emergency or unplanned projects. Mr. Cristiano reviewed changes to the forecasts by Division, which will likely be levelled by changes in the Second Quarter. He reviewed the top fifteen capital projects, which comprise 70% of total capital costs, noting that the forecast is reduced by \$1.7 million due to issues such as weather delays, timing issues and changes in scopes of work.

## **V. INFORMATION ITEMS**

### **15. ITEM V-A: SCHEDULING OF FUTURE BOARD MEETINGS AND TENTATIVE DISCUSSION TOPICS**

The Board received the Schedule of Future Board Meetings and Tentative Discussion Topics, a copy of which is attached to and incorporated in these Minutes as Exhibit E.

### **16. ITEM V-B: EVENT CALENDAR**

The Board received a calendar of upcoming community events to be attended by various staff, a copy of which is attached to and incorporated in these Minutes as Exhibit F.

### **17. ITEM V-C: STATUS OF CONTRACT WORK**

The Board received a report of contract work to date, a copy of which is attached to and incorporated in these Minutes as Exhibit G.

### **18. ITEM V-D: 2015 (“ON-CALL”) GENERAL ENGINEERING AND CONSTRUCTION MANAGEMENT SERVICES CONTRACTS**

The Board received a tabulation of contracts entered into under On-Call General Engineering Design Services and Construction Management Services Contracts for the period of September 2015 through April 2016, a copy of which is attached to and incorporated in these Minutes as Exhibit H.



## VI. ADJOURNMENT

No further business appearing, the Board voted unanimously to adjourn at approximately 11:05 a.m.

### **TRUSTEE MEETING**

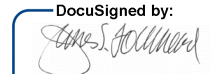
The Board of Water Commissioners, serving in their capacity as Trustees of the Employees' Retirement Plan Trust Fund and as Sponsor of the Supplemental Retirement Savings Plan of the Board of Water Commissioners of the City and County of Denver, met on Wednesday, May 11, 2016, commencing at 11:05 a.m., in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The Minutes of the Trustee Meeting are maintained separately. The Trustee Meeting concluded at 11:30 a.m., at which time the Board voted unanimously to adjourn into Executive Session

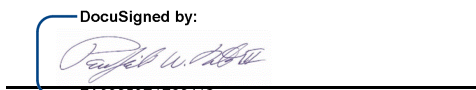
### **EXECUTIVE SESSION**

On Wednesday, May 11, 2016, commencing approximately at 11:30 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matters, which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34, were discussed during the Executive Session:

1. Attorney-Client Matters § 24-6-402(4)(b)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 11:50 a.m.

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Secretary

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President